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Attorneys for Plaintiff,
the People of the State of California

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

DEVINE COMMUNICATIONS, INC., a California
Corporation; MEGALINK TELECOM, INC., a
California Corporation; and DOUGLAS SERGE
DEVINE, an individual.

Defendants.

ENDORSED FILED
SUPERIOR COURT
COUNTY OF SAN FRANCISCO

APR 13 2007

GORDON PARK-LI, CLERK
BY: ERNALYN BURA
Deputy Clerk

CASE NO. 03807-462325

STIPULATION FOR ENTRY
OF FINAL JUDGMENT AND
PERMANENT INJUNCTION

Plaintiff, the People of the State of California ("the People"), appearing through
California Attorney General Edmund G. Brown Jr., by Deputy Attorney General Paul Stein, and
the California Public Utilities Commission, by Public Utilities Counsel Chris Witteman, and
Defendants Devine Communications, Inc. and Megalink Telecom, Inc., appearing through their

1 attorney Curtis Woo, Esq., and Defendant Douglas Devine, appearing personally and through his
2 attorney Curtis Woo, Esq. ("Defendants"), stipulate to the entry of the Final Judgment and
3 Permanent Injunction ("Judgment") attached hereto as Exhibit A, and stipulate further as follows:

4 A. This Court has jurisdiction over the subject matter of the Complaint filed in this
5 action and jurisdiction over Defendants Devine Communications, Inc. and Megalink Telecom,
6 Inc.

7 B. Defendant Douglas Devine claims he does not reside in California and contests
8 personal jurisdiction. He agrees, however, to submit to the jurisdiction of the Court for the
9 limited purposes of executing and filing this Stipulation and the Judgment, and for any further
10 proceedings relating to the Judgment.

11 C. Venue as to all matters between the parties related hereto lies in this Court.

12 D. Defendants waive service of a summons and complaint in this action.

13 E. Defendants agree to accept service of the Notice of Entry of Judgment and the
14 Judgment by U.S. Mail on their agent(s) for service of process in California and/or their above-
15 referenced counsel. Defendant Douglas Devine further agrees to accept service of the Notice of
16 Entry of Judgment and the Judgment by U.S. Mail sent to either of the following addresses:

17 2024 Divisidero Street, Suite 1
18 San Francisco, CA 94115

19 or

20 120 Morocco Drive, Building 2, Lot 5
21 Santa Rosa, Laguna 4026
Philippines

22 F. Defendants agree to accept any further service related to the Judgment by U.S.
23 Mail on their agent(s) for service of process in California. Defendant Douglas Devine further
24 agrees to accept any further service related to the Judgment by U.S. Mail sent to either of the
25 addresses listed in Paragraph E of this Stipulation.

26 G. Defendants waive the right to appeal, to attempt to set aside or vacate, or
27 otherwise to attack, directly or collaterally, the Judgment.

28 H. Plaintiff and Defendants agree that nothing in this Stipulation, the Judgment, or

1 these proceedings shall constitute evidence, or an admission by Defendants of any fact or issue of
2 law raised by the Complaint filed in this action.

3 I. Defendants deny the allegations of the Complaint. Defendants agree to the entry
4 of the Judgment and to be bound by its terms in order to avoid the burden and expense of
5 litigation.

6 J. Plaintiff and Defendants agree that nothing in this Stipulation, the Judgment, or
7 these proceedings shall be construed to mean that Plaintiff has approved, sanctioned, or
8 authorized any of Defendants' acts, practices, or conduct, and neither Defendants nor anyone
9 acting on their behalf shall state or imply in this or any other proceeding that such endorsement
10 or approval has been given.

11 K. Plaintiff and Defendants agree that the Judgment may be entered herein to resolve
12 and is conclusive with respect to those, and only those, matters set forth in the allegations of the
13 Complaint filed in this action.

14 L. No later than seven days after Defendants execute this Stipulation, Defendants
15 shall deliver to Plaintiff's counsel checks totaling no less than \$7,500 as specified in Paragraphs
16 11-13 of the Judgment relating to civil penalties; provided, however, that any payments by
17 Defendants that are made prior to the date the Judgment is entered by the Court shall be held in
18 trust by Defendants' counsel Technology Law Group LLC, by Mr. Neil S. Ende. Mr. Ende shall
19 acknowledge receipt of any such payments in writing with a copy to Plaintiff's counsel.
20 Payments held in trust by Technology Law Group LLC shall be released to the Plaintiffs within
21 three business days after notice by email to Mr. Ende of entry of the Judgment by the Court.
22 Defendants may also make their monthly installment payments by separate wire transfers to the
23 California Attorney General and the California Public Utilities Commission. Any other method
24 of payment shall be agreed to in writing by the parties.

25 M. Defendants warrant that they are proper parties to the Judgment.

26 N. The parties acknowledge that they were represented by legal counsel throughout
27 the negotiations which led to the execution of this Stipulation, and that they are executing this
28

1 Stipulation on the advice of counsel.

2 O. Defendants acknowledge that they provided detailed information in a sworn
3 declaration under penalty of perjury about their financial condition and other aspects of their
4 California operations, including but not limited to information about their sales revenues, to
5 Plaintiff's counsel. Defendants further acknowledge that Plaintiff's counsel informed them that
6 Plaintiff relied on the truthfulness, accuracy, and completeness of that information in agreeing to
7 the Judgment, and Plaintiff shall be deemed to have so relied.

8 P. Defendants agree that Plaintiff's counsel may submit the Judgment to any judge of
9 the Superior Court for approval and signature, and Plaintiff agrees that it will make a reasonable
10 effort to notify Plaintiff's counsel prior to filing this Stipulation and the Judgment with the Court.

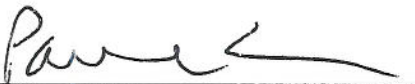
11 Q. This Stipulation may be executed in counterparts and on multiple signature pages.

12 R. Defendants warrant that the signatories to this Stipulation have authority to act for
13 and bind them.

14 S. Defendants acknowledge and agree that counsel for the California Public Utilities
15 Commission is executing this Stipulation subject to a formal vote of the Commission approving
16 the Stipulation and Judgment. Consequently, this Stipulation shall not become effective until
17 executed by a representative of the Attorney General, each Defendant, and counsel for
18 Defendants, and executed and approved by the Commission. The undersigned counsel for the
19 Commission will notify Defendants as soon as possible of the Commission's action on this
20 matter.

21
22 DATED: April 4, 2007

EDMUND G. BROWN JR.
Attorney General of the State of California

23
24 By: 
25 Paul Stein
26 Deputy Attorney General

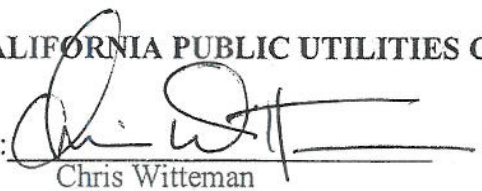
27 Counsel for the People of the State of California
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DATED: April 4, 2007

CALIFORNIA PUBLIC UTILITIES COMMISSION

By:



Chris Witteman
Public Utility Counsel

Counsel for the People of the State of California,
by and through the California Public Utilities
Commission

1 DATED: March 8, 2007

DEVINE COMMUNICATIONS, INC.

2 By: 

3 Douglas Devine
4 President and Chief Executive Officer

5 By: 

6 Secretary or CFO

1 DATED: March 6, 2007

MEGALINK TELECOM, INC.

2 By: 

Douglas Devine

President and Chief Executive Officer

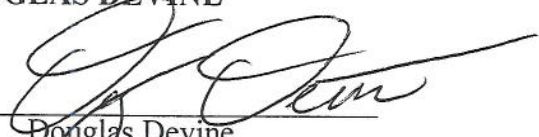
3 By: 

Secretary or CFO

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DATED: March 16, 2007

DOUGLAS DEVINE

By: 
Douglas Devine

1 Dated: April 4, 2007

CURTIS WOO, ESQ.

2
3 By: 

Curtis Woo

4 Counsel for Defendants Megalink Telecom, Inc.,
5 Devine Communications, Inc., and Douglas S.
6 Devine
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